



COMMITTEE STATEMENT

Opening Statement of Rep. Fred Keller (R-PA), Republican Leader
Subcommittee on Workforce Protections Hearing:
"Standing Up for Workers: Preventing Wage Theft and Recovering Stolen Wages"
May 11, 2022

(As prepared for delivery)

"All workers must be paid in full for their work—that is not in question or open for debate. Republicans fully support the enforcement of the Fair Labor Standards Act (FLSA).

"What we do not support is weaponizing this Act, or any federal legislation, to be used against our country's job creators. Unfortunately, that is exactly what H.R. 7701, Congresswoman DeLauro's bill is attempting to accomplish.

"First of all, Democrats' approach to employers is wrong. Referring to unintentional technical errors in payroll as 'wage theft' demonstrates Democrats' hostility towards America's job creators. Employers want to do right by their employees and pay them what is owed. People work hard and get the job done every day—I see that across Central and Northeast Pennsylvania. Calling our country's job creators 'thieves' is beyond outrageous and should have no place in our policymakers' discourse.

"It would be far more productive for the Department of Labor to provide compliance assistance to employers instead of assuming all employers are bad actors—which my Republican colleagues and I know is not the case.

"Both workers and job creators benefit from clear and concise compliance procedures, but Democrats' proposed changes to the FLSA would make employment and wage regulations even more convoluted. This legislation would then impose crushing penalties on employers for not being able to effectively navigate the maze of red tape it intends to create. This is nothing short of entrapment.

"We should be supporting easy-to-understand wage and hour rules—not impossible compliance burdens. The enforcement penalties are extremely punitive and could severely hinder employers, especially small businesses. This is not the way to treat those keeping our country's economy running. In fact, it is counterproductive.

"Further, the onerous mandates and disproportionate penalties in this bill will have a chilling effect on the ability of employers to offer additional benefits to workers, including greater compensation or

flexibility. Employers want to do what is best for their employees, but the federal government is threatening to stand in their way. Democrats are completely ignoring the adverse consequences that will come from their meddling.

“In truth, this legislation is a massive power grab meant to substantially increase the federal government’s control over the workforce. H.R. 7701 would fundamentally alter the FLSA by expanding its jurisdiction to all employer-employee contracts, including collective bargaining agreements.

“This legislation will harm America’s job creators and workers. Whenever Democrats and Washington bureaucrats expand federal control over private businesses, it reduces innovation and the ability of businesses to respond to changing economic circumstances. This is not the way our country will recover from the pandemic, the worker shortage, or record high inflation. This legislation is short-sighted and destructive.

“In the case of bad actors, the FLSA already has strong remedies in place for employers who do not comply with the law. Instead of adding burdensome reporting requirements and increasing penalties, the DOL should simply use existing law.

“Democrats continue to fail to recognize the importance of independent contractors in today’s evolving economy, and this legislation would have a negative effect on their opportunities. If Democrats had their way, independent contracting would come to an end. Yet, independent contractors are serving a vital purpose in many industries—and workers seek out the benefits and flexibility these arrangements provide.

“If Democrats truly care about our people, they will start looking to bolster job creators instead of tearing them down. The truth is, we need more freedom in the marketplace, not less.”

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